**Payment of sugarcane arrears**

637. SHRI MAHENDRA MOHAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the top 10 sugar majors of Uttar Pradesh have piled up payment of sugarcane arrears close to Rs. 1,500 crores;

(b) if so, the names of the companies alongwith the amount owed by them to farmers;

(c) whether Government are aware that majority of farmers in Uttar Pradesh particularly in Awadh region have shifted to single crop, *i.e.* cane and they are finding it difficult to survive as their payments have been blocked by these mills;

(d) if so, whether Government would announce some package to these poor farmers of Uttar Pradesh; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) and (b) A statement indicating the cane price arrears payable, as on 30.06.2007, to sugarcane growers by the major groups of Uttar Pradesh for the current sugar season 2006-07 is enclosed as Statement (*See* below).

(c) to (e) Due to high levels of sugarcane and sugar production in the country during the current sugar season 2006-07, the sugar prices in the country have declined. This has adversely affected the capacity of the sugar mills to pay cane price to sugarcane farmers in time. In order to help the sugar industry to clear the cane price arrears of sugarcane farmers, the Central Government has taken the following steps:-

(i) A buffer stock of 20 lac tons has already been created for a period of one year from 01.05.2007 to 30.04.2008. An additional buffer stock of 30 lac tons has also been created for a period of one year from 1.8.2007 to 31.7.2008. Creation of 50 lac tons of buffer stock would involve a subsidy amount of Rs. 945 crore (approximately) to be borne from Sugar Development Fund. The banks would also provide additional credit of Rs. 1150 crore (approximately) on creation of buffer stock. The buffer subsidy amount and the additional credit are to be exclusively used for liquidation of cane price arrears of sugarcane farmers;

(ii) Export assistance to defray expenditure on internal transport, marketing and handling charges and ocean freight @ Rs. 1350/- per tonne for sugar factories located in coastal areas and Rs. 1450/- per tonne for sugar factories located in non-coastal areas (subject to actuals for export by road/rail to neighbouring countries) have been announced for a period of one year with effect from 19th April, 2007. The amount involved is Rs. 205 crore approximately which is to be borne from Sugar Development Fund. The export assistance is also to be used exclusively for cane price arrears payment.

(iii) Ban on export of sugar has been removed in January, 2007 and requirement of obtaining an export release order for export of sugar except exports to EU countries and USA has been withdrawn *w.e.f.* 31.07.2007, for the current and next sugar season.

The above steps would also benefit the sugar mills of Uttar Pradesh.

***Statement***

*Details of cane price arrears as on 30.06.2007 of major sugar groups in respect of their sugar units situated in the State of Uttar Pradesh*

| Sl. No. | Name of the sugar group | Cane price arrears, as on 30.06.2007, for the current sugar season 2006-07 (In crore Rs.) |
|---|---|---|
| 1. | Bajaj Hindustan Ltd. | 438.16 |
| 2. | Balrampur Chini Mills Ltd. | 198.68 |
| 3. | Dhampur Sugar Mills Ltd. | 141.51 |
| 4. | Triveni Engineering & Industries Ltd. | 141.12 |
| 5. | Modi Industries Ltd. | 125.93 |
| 6. | Mawana Sugars Ltd. | 77.12 |
| 7. | Simbhaoli Sugars Ltd. | 65.53 |
| 8. | Oudh Sugar Mills Ltd. | 50.98 |
| 9. | DSCL Sugars | 48.66 |
| 10. | Dwarikesh Sugar Industries Ltd. | 39.07 |
| | TOTAL: | 1326.76 |

**Non-availability of foodgrains in FCI depot**

638. SHRI K.E. ISMAIL: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government are aware of the non-availability of foodgrains stock in certain depots of FCI in Kerala affecting the proper functioning of the Public Distribution System; and

(b) if so, whether Government would give strict direction to the FCI authorities in the State to make inter-depot movement and rational placement of stocks in all depots for the smooth working of the Public Distribution System in the State?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) There has not been any instance of the Public Distribution System (PDS) in Kerala getting adversely affected due to non-availability of foodgrains in any of the functional